



# Results Briefing Year Ended 2005/06

8 Nov 2006



**FRASER & NEAVE HOLDINGS BHD**

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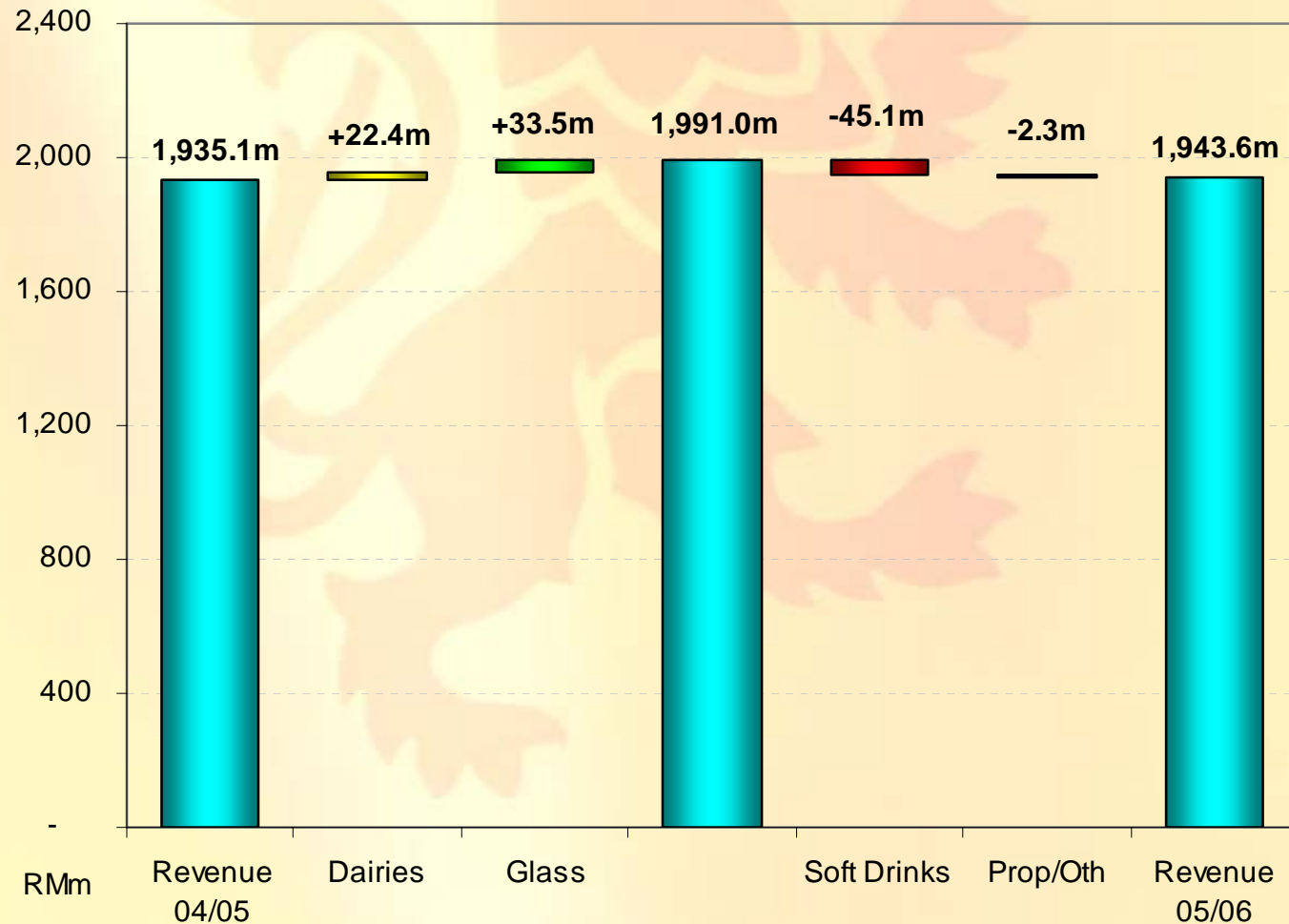
# Financial Results

- Revenue growth affected by weak consumer sentiments
- PBIT improved by 6%
- PAT improved by 10% due to lower tax
- 6<sup>th</sup> consecutive year of record profit

RM million	2006	2005	+/-
■ Revenue	1,943.6	1,935.1	+0.4%
■ PBIT	193.7	182.9	+6.0%
■ PBT	194.2	183.8	+5.7%
■ PAT	153.6	139.3	+10.3%
■ Attr Profit	142.8	132.0	+8.2%

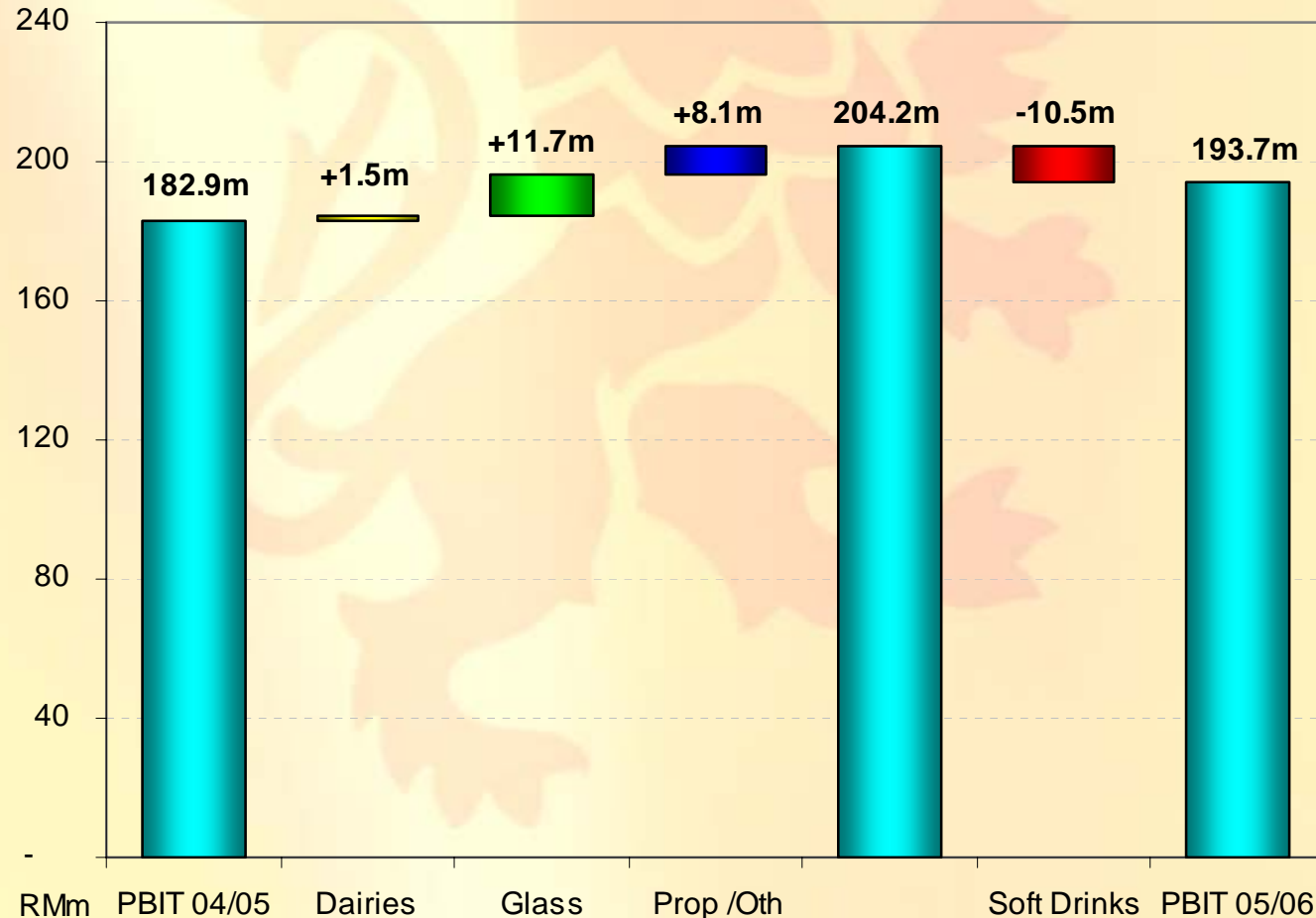
# Financial Results – Revenue

- Overall revenue +0.4%
- Poor soft drinks sales affected overall revenue



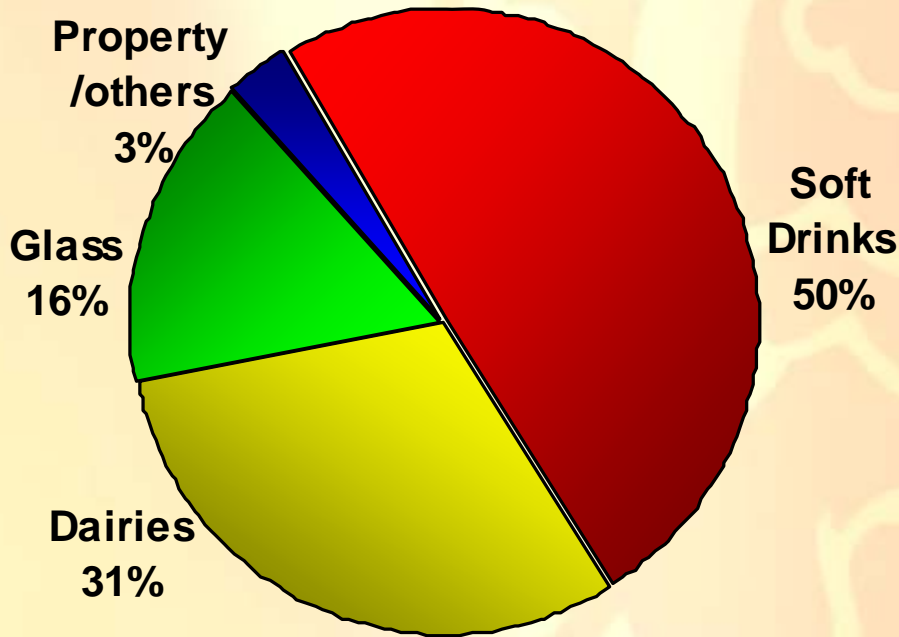
# Financial Results – PBIT

- Another record PBIT (+6% vs LY)
- SMG (China) recorded encouraging PBIT of RM1.8m (vs loss of RM8.5m LY)

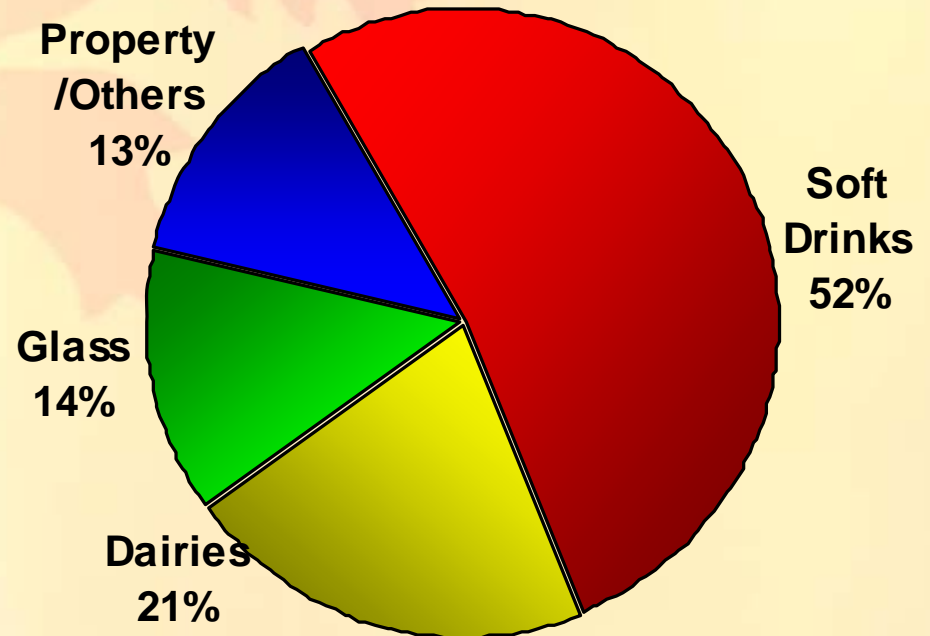


# Revenue & PBIT – by Operations

## Revenue – RM1.94 billion

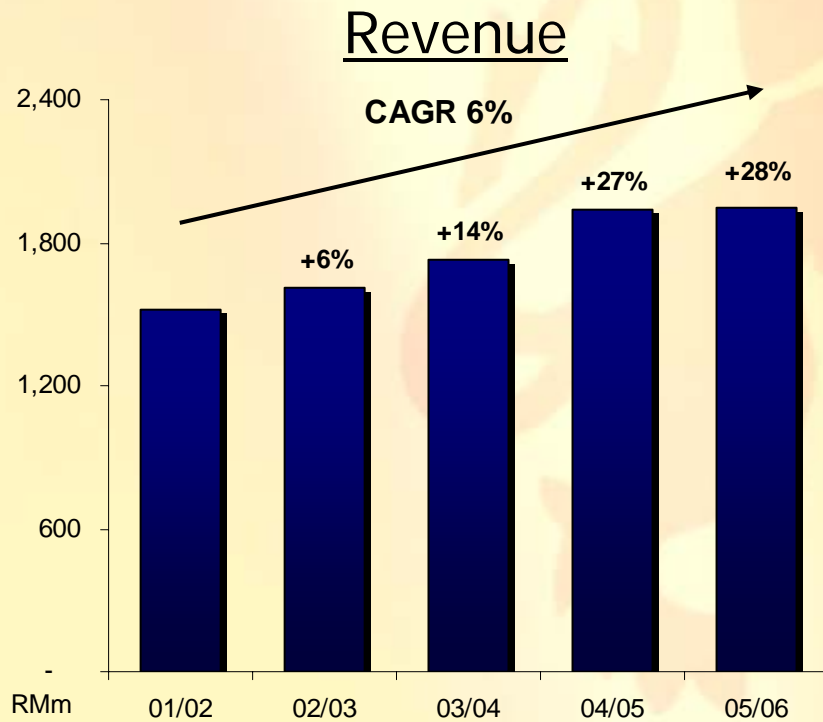


## PBIT – RM193.7 million

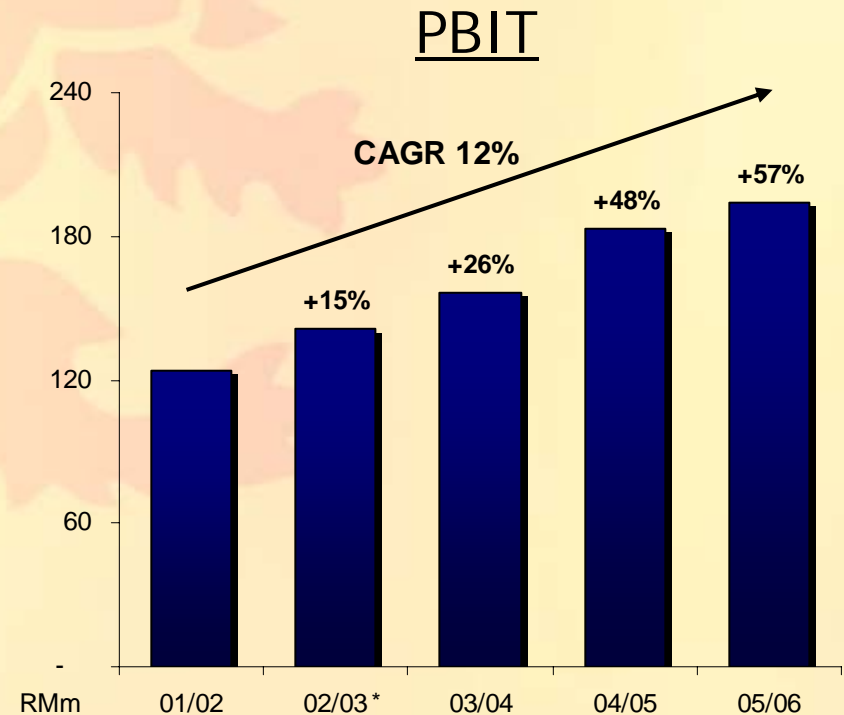


# Growth : Last 5 Years

- Consistent revenue growth and profit performance
- PBIT growth slowed due to poorer soft drinks performance



Note : Base = 01/02

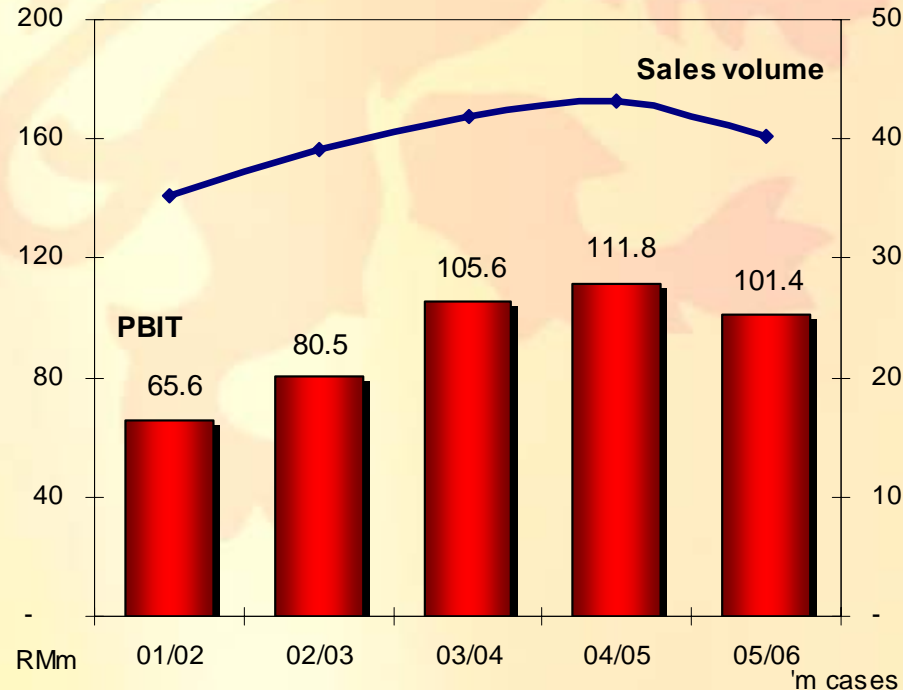


\* Exclude KL Sentral write off

# Operational Review – Soft Drinks

## Review FY2005/06

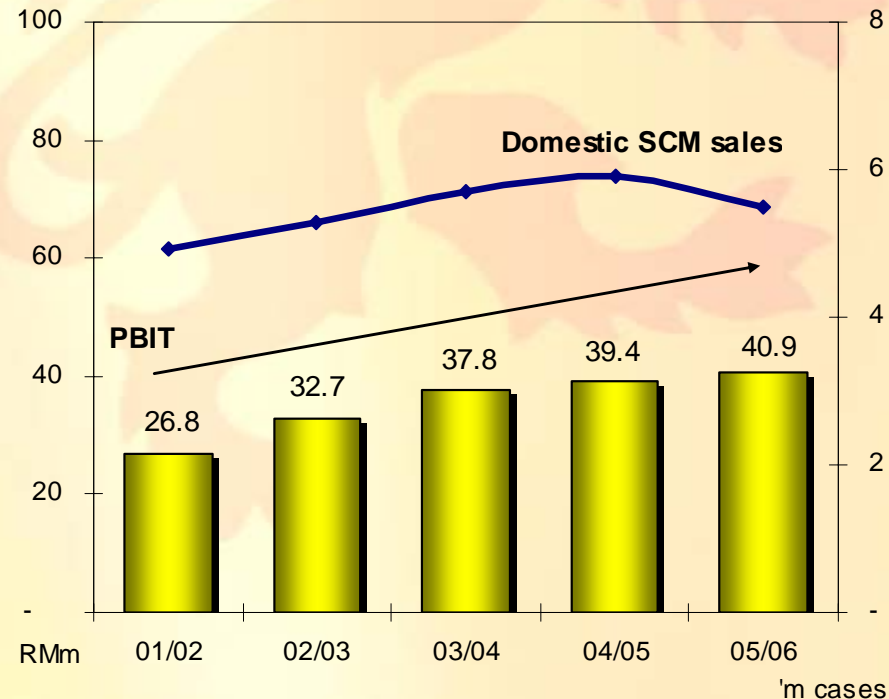
- Volume growth of average 7% for past 4 years was interrupted by -7% decline in 2006
- CSD declined by 16% whilst Isotonic registered +2% growth
- CSD market share remained at 63%, Isotonic at 92%
- Sales pick up in quarter 4 :  
Qtr 1 : +8%, Qtr 2 : -20%, Qtr3 : -18%, Qtr 4 : +5%



# Operational Review – Dairies

## Review FY2005/06

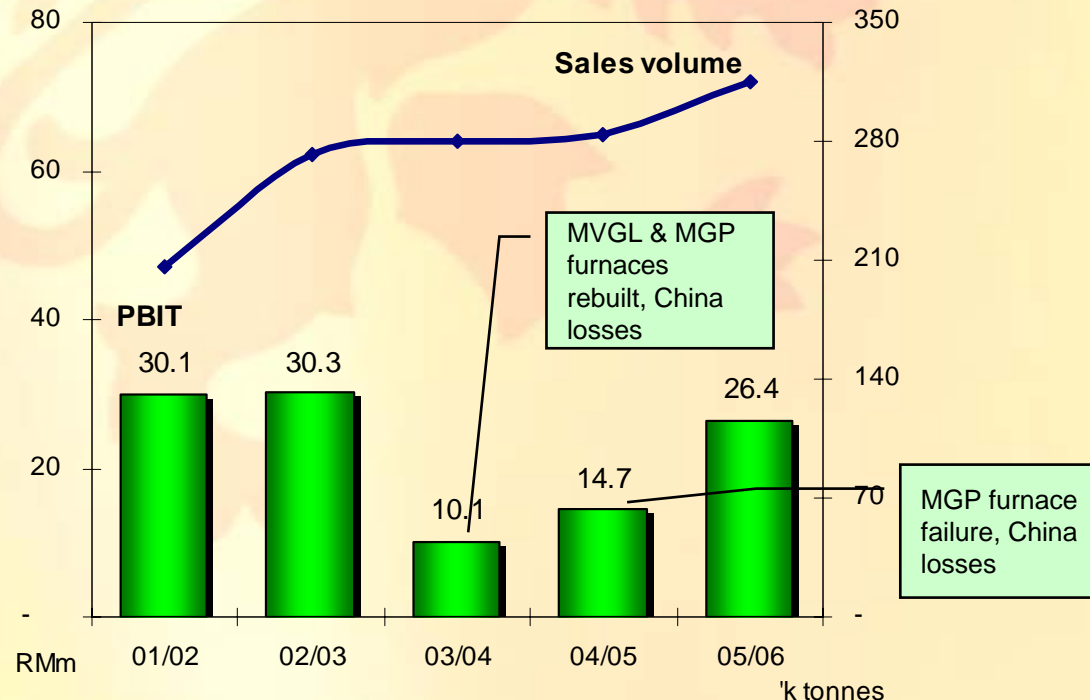
- Domestic canned milk sales affected by weak consumer sentiment, -6% down
- Export sales improved +37%
- Pasteurised and ice cream sales up 10% vs LY (19% of total domestic dairies revenue)



# Operational Review – Glass

## Review FY2005/06

- China turnaround (improved customer base, sales & selling prices)
- Better Vietnam performance
- Thailand plant construction on schedule



# Operational Review – Property

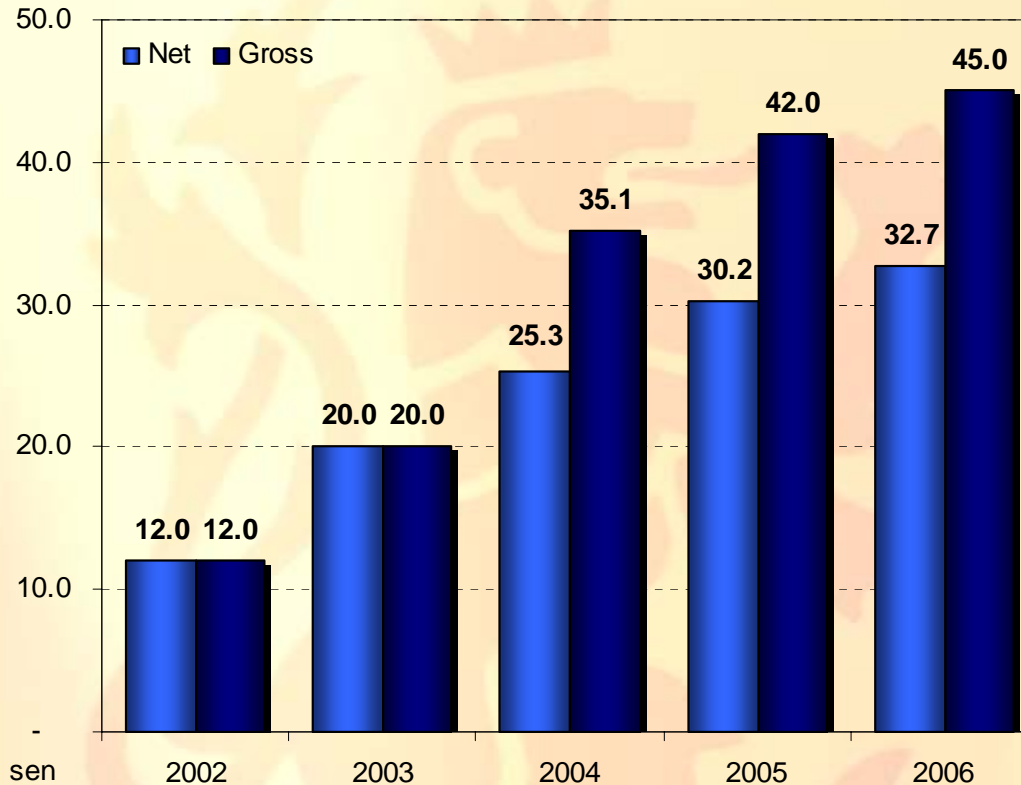
## Phase 1 : Fraser Park Project

- 5-6 storey shop-office units fully sold (80 units, GDV = RM180m)
- % completion recognition, ~ 83% YTD
- Target completion by end of this year

## Phase 2 : ZON.e@Fraser Business Park

- Dedicated IT hub launched in Sept'06, pre-sold RM200m
- Offers e-centric retail / entertainment, IT related business, education centre, hostel and city hotel component
- Total development value ~ RM360 million

# Dividend per Share



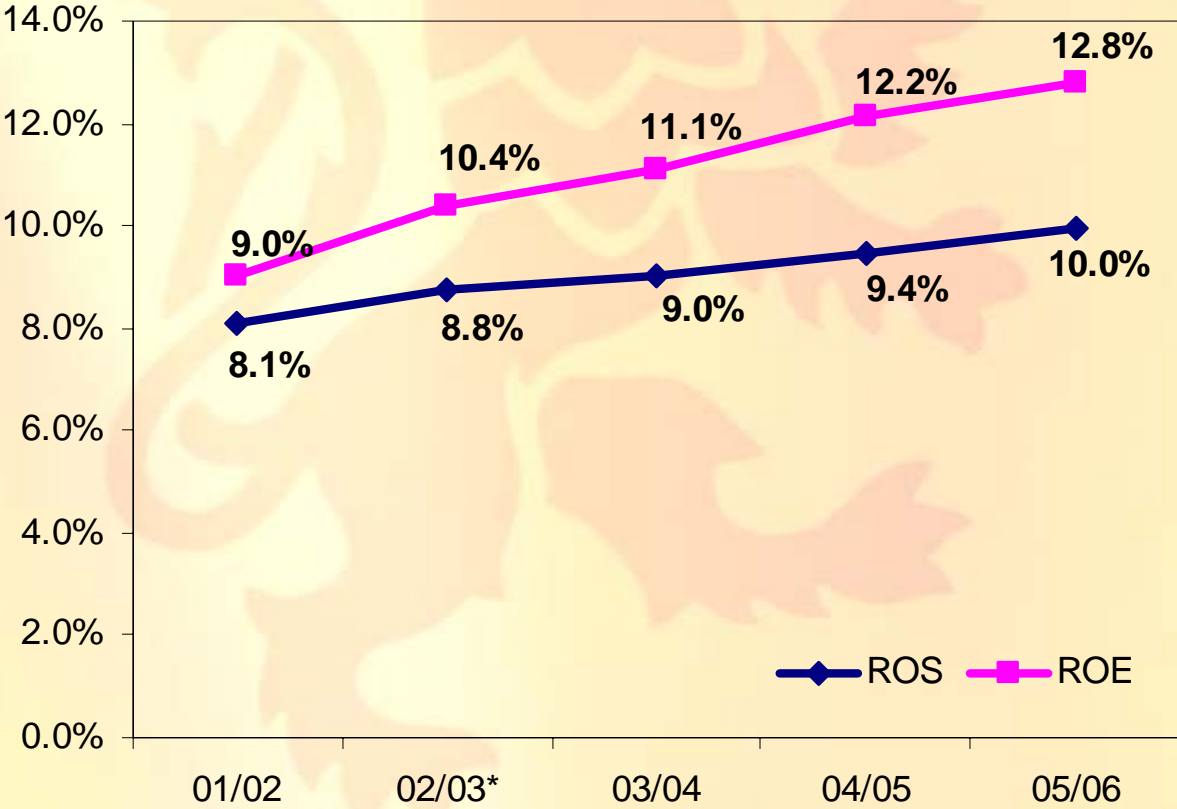
- Final net dividend at 21.2 sen (gross 29 sen) making total of 32.7 sen (gross 45 sen), +8% vs LY
- Based on 30/9/06 share price of RM6.20, dividend yield is 7.3% (gross) and 5.3% (net)
- Payout ratio ~82%

# Financial Summary / Ratios

<u>Year ended</u>		<u>2005/06</u>	<u>2004/05</u>
■ PBIT margin	↑	10.0%	9.4%
■ ROE	↑	12.8%	12.2%
■ Net cash (RM)	↑	206.5m	145.5m
		<u>Per Share</u>	
■ NTA (RM)	↑	3.13	3.04
■ EPS (sen)	↑	40.1	37.0
■ Net cash backing (sen)	↑	57.9	40.8
■ Net dividend (sen)	↑	32.7	30.2

# ROS & ROE Trends

- Steady improvements in both Return on Sales (ROS) & Return on Equity (ROE)

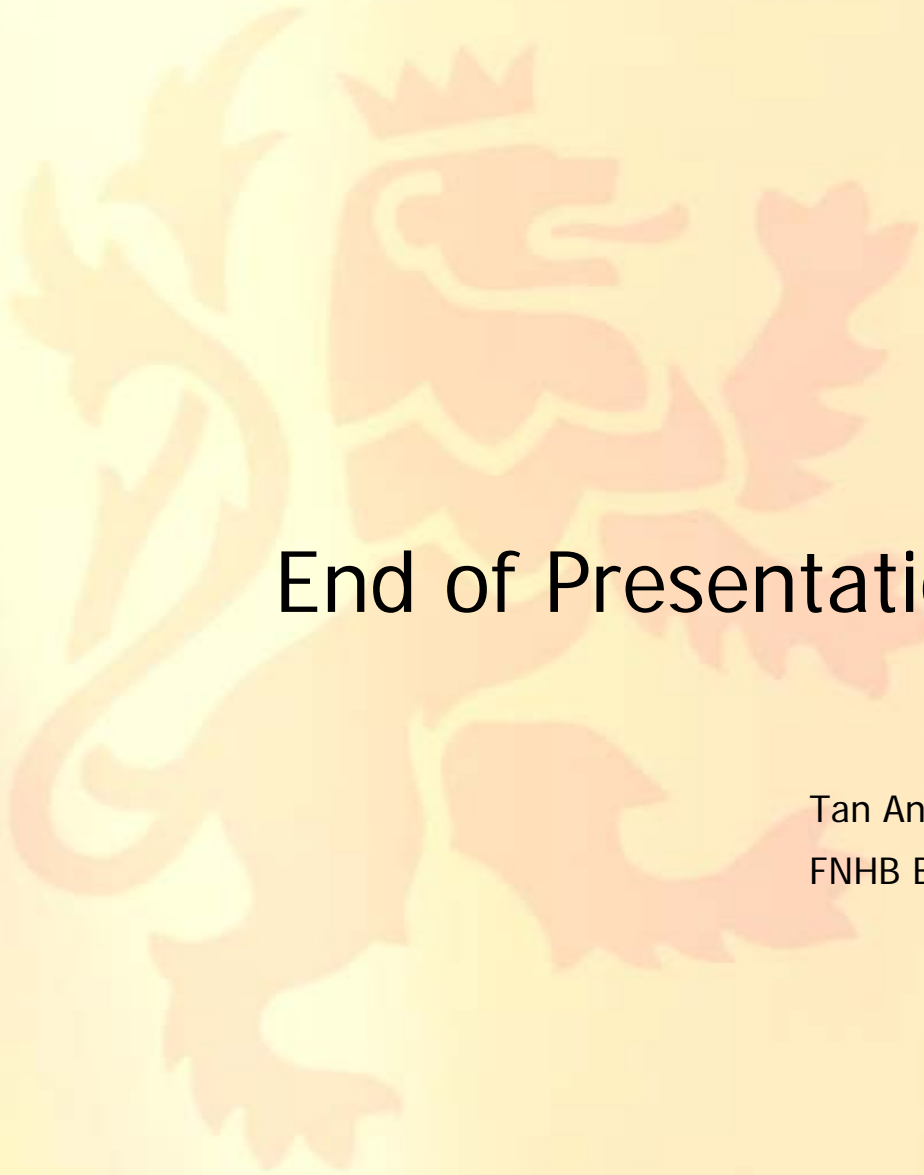


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# Looking Ahead

- +ve
  - contribution from Jalan Foss project (Phase II)
  - contribution from China glass
  - synergistic benefit & economies of scales from acquisition of canned liquid milk businesses from Nestle
  
- -ve
  - uncertain & cautious consumer sentiments
  - higher raw materials & packaging costs

■ Cautious overall outlook



# End of Presentation

Tan Ang Meng, CEO

FNHB Briefing : 8 November 2006